

1 _____ BILL NO. _____

2 INTRODUCED BY _____
3 (Primary Sponsor)

4 BY REQUEST OF THE DEPARTMENT OF REVENUE

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6 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING THE DEPARTMENT OF REVENUE TO SEND THE
7 NOTICE OF CLASSIFICATION AND APPRAISAL TO A SINGLE OWNER OF A MULTIPLE, UNDIVIDED
8 INTEREST IN A PARCEL OF LAND; AMENDING SECTION 15-7-102, MCA; AND PROVIDING AN
9 IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

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11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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13 **NEW SECTION.** **Section 1. Notice of classification and appraisal to single owner of undivided**
14 **interest.** (1) In the case of multiple, undivided interest in a parcel of land, the department shall send the
15 notice of classification and appraisal required by 15-7-102 to a single owner of the land.

16 (2) The owner shall provide to the department the name and address of the owner to whom the
17 notice is to be sent and shall notify the department of a change in name or address. A copy of the notice
18 may be sent to other persons on request.

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20 **Section 2.** Section 15-7-102, MCA, is amended to read:

21 **"15-7-102. Notice of classification and appraisal to owners -- appeals.** (1) (a) ~~The~~ Except as
22 provided in [section 1], the department shall mail to each owner or purchaser under contract for deed a
23 notice of the classification of the land owned or being purchased and the appraisal of the improvements
24 on the land only if one or more of the following changes pertaining to the land or improvements have been
25 made since the last notice:

26 (i) change in ownership;

27 (ii) change in classification;

28 (iii) except as provided in subsection (1)(b), change in valuation; or

29 (iv) addition or subtraction of personal property affixed to the land.

30 (b) After the first year, the department is not required to mail the notice provided for in subsection

(1)(a)(iii) if the change in valuation is the result of an annual incremental change in valuation caused by the phasing in of a reappraisal under 15-7-111 or the application of the exemption under 15-6-201 or caused by an incremental change in the tax rate.

(c) The notice must include the following for the taxpayer's informational purposes:

(i) the total amount of mills levied against the property in the prior year; and

(ii) a statement that the notice is not a tax bill.

(d) Any misinformation provided in the information required by subsection (1)(c) does not affect the validity of the notice and may not be used as a basis for a challenge of the legality of the notice.

(2) (a) Except as provided in subsection (2)(c), the department shall assign each assessment to the correct owner or purchaser under contract for deed and mail the notice of classification and appraisal on a standardized form, adopted by the department, containing sufficient information in a comprehensible manner designed to fully inform the taxpayer as to the classification and appraisal of the property and of changes over the prior tax year.

(b) The notice must advise the taxpayer that in order to be eligible for a refund of taxes from an appeal of the classification or appraisal, the taxpayer is required to pay the taxes under protest as provided in 15-1-402.

(c) The department is not required to mail the notice of classification and appraisal to a new owner or purchaser under contract for deed unless the department has received the transfer certificate from the clerk and recorder as provided in 15-7-304 and has processed the certificate before the notices required by subsection (2)(a) are mailed. The department shall notify the county tax appeal board of the date of the mailing.

(3) If the owner of any land and improvements is dissatisfied with the appraisal as it reflects the market value of the property as determined by the department or with the classification of the land or improvements, the owner may request an assessment review by submitting an objection in writing to the department, on forms provided by the department for that purpose, within 30 days after receiving the notice of classification and appraisal from the department. The review must be conducted informally and is not subject to the contested case procedures of the Montana Administrative Procedure Act. As a part of the review, the department may consider the actual selling price of the property, independent appraisals of the property, and other relevant information presented by the taxpayer in support of the taxpayer's opinion as to the market value of the property. The department shall give reasonable notice to the taxpayer

1 of the time and place of the review. After the review, the department shall determine the correct appraisal
2 and classification of the land or improvements and notify the taxpayer of its determination. In the
3 notification, the department shall state its reasons for revising the classification or appraisal. When the
4 proper appraisal and classification have been determined, the land must be classified and the improvements
5 appraised in the manner ordered by the department.

6 (4) Whether a review as provided in subsection (3) is held or not, the department may not adjust
7 an appraisal or classification upon the taxpayer's objection unless:

8 (a) the taxpayer has submitted an objection in writing; and

9 (b) the department has stated its reason in writing for making the adjustment.

10 (5) A taxpayer's written objection to a classification or appraisal and the department's notification
11 to the taxpayer of its determination and the reason for that determination are public records. The
12 department shall make the records available for inspection during regular office hours.

13 (6) If any property owner feels aggrieved by the classification or appraisal made by the department
14 after the review provided for in subsection (3), the property owner has the right to first appeal to the
15 county tax appeal board and then to the state tax appeal board, whose findings are final subject to the
16 right of review in the courts. The appeal to the county tax appeal board must be filed within 30 days after
17 notice of the department's determination is mailed to the taxpayer. A county tax appeal board or the state
18 tax appeal board may consider the actual selling price of the property, independent appraisals of the
19 property, and other relevant information presented by the taxpayer as evidence of the market value of the
20 property. If the county tax appeal board or the state tax appeal board determines that an adjustment
21 should be made, the department shall adjust the base value of the property in accordance with the board's
22 order."

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24 NEW SECTION. **Section 3. Codification instruction.** [Section 1] is intended to be codified as an
25 integral part of Title 15, chapter 7, part 1, and the provisions of Title 15, chapter 7, part 1, apply to
26 [section 1].

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28 NEW SECTION. **Section 4. Effective date.** [This act] is effective on passage and approval.

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30 NEW SECTION. **Section 5. Retroactive applicability.** [This act] applies retroactively, within the

1 meaning of 1-2-109, to property tax years beginning after December 31, 2000.

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